

RHODE ISLAND COMMERCE CORPORATION

MEETING OF INVESTMENT COMMITTEE

PUBLIC SESSION

The Investment Committee of the Rhode Island Commerce Corporation (the “Corporation”) met on March 24, 2016, in Public Session, beginning at 9:00 a.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the public notice of meeting as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Michael McNally, Bernard V. Buonanno III and Vanessa Toledo-Vickers.

Also present were: Stefan Pryor, Secretary of Commerce, Darin Early, Jesse Maglio, Luke Pickett and Thomas Carlotto.

1. CALL TO ORDER

The Chair of the Committee called the meeting to order at 9:04 a.m. indicating that a quorum was present.

2. TO CONSIDER MEETING MINUTES

Upon motion duly made by Ms. Toledo-Vickers and seconded by Mr. Buonanno, the following vote was unanimously adopted:

VOTED: To approve the meeting minutes for the meeting held January 21, 2016.

3. TO CONSIDER THE APPLICATION OF WINNDEVELOPMENT AND OMNI DEVELOPMENT FOR TAX CREDITS UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM

Mr. Saglio noted that the project consists of 101 residential low income housing units located in Pawtucket. He explained that the project would result in a complete rehabilitation of the historic housing structures. Mr. Saglio explained that the project would be led by Winn Development, a national leader in this space, and would cost approximately \$12.2 million. He indicated that the applicant was seeking a tax credit of \$3.7 million amounting to 30% of project cost.

Mr. Buonanno asked about the potential return of capital to the Corporation.

Mr. Saglio explained that most developers in low income housing generate their income through a fee structure and the Corporation was able to negotiate a return within the fee model of such developers.

There was a dialogue between staff and Committee members regarding the low income housing market and the structure of returns to developers.

4. TO CONSIDER THE APPLICATION OF PROVIDENCE CAPITAL III FOR TAX CREDITS UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM

Mr. Saglio gave an overview of the project, which will result in sixty-one residential units, one floor commercial office space and rehabilitation of the restaurant space. He indicated that the project cost would be \$15.2 million and staff was recommending \$3 million in tax credits. Mr. Saglio also noted that there will be a return of capital mechanism to the Corporation.

Mr. Buonanno asked if the developer owned the building and Mr. Saglio indicated that the developer does own the building.

5. TO CONSIDER THE APPLICATION OF 78 FOUNTAIN JV OWNER, LLC FOR TAX CREDITS UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM

Mr. Pickett explained that the applicant is a joint venture between Nordblum and Cornish Associates, both successful developers, who are proposing a ground up development at 78 Fountain Street in Providence.

He indicated that the development will consist of 145 market rate residential units and 17,000 sq. ft. of retail. Mr. Pickett noted that the project cost is approximately \$48 million and the applicant is seeking tax credits in the amount of \$6.1 million.

Mr. Pickett discussed the returns to the developer and the need for the tax credits to provide a market return.

There was a dialogue amongst Mr. McNally, Mr. Buonanno and staff regarding the potential returns and risk to the developers.

Upon motion duly made by Mr. Buonanno and seconded by Mr. McNally, the following vote was unanimously adopted:

VOTED: To enter into Executive Session pursuant to RIGL 42-46-5(a) (7) to consider the three agenda items involving Rebuild Rhode Island Tax Credits.

The Committee and staff entered into Executive session at 9:28 a.m.

The Committee and staff returned to Public session at 10:02 a.m.

Upon motion duly made by Ms. Toledo-Vickers and seconded by Mr.

Buonanno the following votes were unanimously adopted:

VOTED: To seal the minutes of the Executive Session.

Upon motion duly made by Mr. Buonanno and seconded by Ms. Toledo-Vickers, the following votes were unanimously adopted:

VOTED: To recommend for approval to the Board of the RI Commerce Corporation the application of WinnDevelopment and Omni Development for tax credits under the Rebuild Rhode Island Tax Credit Program.

VOTED: To recommend for approval to the Board of the RI Commerce Corporation the application of Providence Capital III for tax credits under the Rebuild Rhode Island Tax Credit Program.

VOTED: To recommend for approval to the Board of the RI Commerce Corporation the application of 78 Fountain JV Owner for tax credits under the Rebuild Rhode Island Tax Credit Program.

Vote to Adjourn.

There being no further business in Public Session, the meeting of the Investment Committee was adjourned by unanimous consent at 10:04 a.m., upon motion made by Ms. Toledo-Vickers and seconded by Mr. Buonanno.

Thomas Carlotto, Secretary